



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Authorize City Manager to Execute Short-Term Funding Agreements for the Construction of the Harney Lane Lift Station and Adopt Resolution Extending the Deadline for Final Map Approval and Retention of Prior Development Impact Mitigation Fees and Payment Procedures for the Century Meadows One, Two, and Three Residential Subdivision Projects

MEETING DATE: November 20, 2002

PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council take the following action:

1. Authorize the City Manager to negotiate and execute short-term funding agreements for the construction of the Harney Lane Lift Station.
2. Adopt resolution extending the deadline for final map approval and retention of prior development impact mitigation fees and payment procedures for the Century Meadows One, Two, and Three residential projects.

BACKGROUND INFORMATION: The original Harney Lane Lift Station service area (Exhibit A) and costs were shown in the "Final Report, City of Lodi Development Impact Fee Study" prepared by Nolte and Associates and Angus McDonald and Associates and dated August 1991. The original cost estimate was \$310,000.00 for the lift station and the sewer trunk line in Harney Lane.

On September 22, 1992, the lift station service area was modified by Council to include properties south of Harney Lane and establish the location of the lift station site (Exhibit B). No service area fee was established for this area, but the property owners south of Harney Lane entered into an agreement with the City to participate in the oversizing costs of the lift station to serve the additional area and provide a lift station site on the south side of Harney Lane at Mills Avenue.

City Participation

In 1996, development plans were submitted for residential projects within the lift station service area. On October 16, 1996, Council authorized City participation in the cost of the lift station design (up to \$50,000.00) and directed staff to retain Baumbach & Piazza to perform this work. The final design cost for the lift station was \$27,046.00.

More recently, construction of the force mains, gravity sewer mains, and appurtenant structures associated with the lift station was completed in Mills Avenue and the Harney Lane/Mills Avenue intersection in conjunction with the Century Meadows Three, Unit No. 5 subdivision. Since the lift station improvements were not required to serve that development, on January 2, 2001, Council approved an addendum to the improvement agreement for the subdivision that authorized reimbursement from the City to the subdivision developer for the cost of that work (\$120,486.66). Thus far, the City has advanced \$164,707.66 that includes geotechnical and related work for the lift station project.

At the present time, several residential projects that require construction of the sewer lift station to provide public wastewater service are in various stages of design. All the projects have been required to construct the lift station and appurtenant sewer trunk lines as a condition of development. The developers of the Century Meadows One, Unit No. 2 subdivision, Chris Keszler and Dave Williams, have stepped forward to undertake construction of the lift station, as well as the sewer trunk line in Harney Lane (east of Mills Avenue), to allow these developments to proceed to construction.

The improvement plans for the Century Meadows One project, as well as the lift station and sewer trunk line, are currently in plan check. Separate improvement agreements for the subdivision and lift station will be brought to Council for approval at a later date. In the interim, since the developer will be eligible for reimbursement for the lift station and trunk line

APPROVED:


H. Dixon Flynn -- City Manager

improvements in conformance with LMC 16.40 when they are constructed and accepted by the City, staff has prepared a preliminary spreadsheet for the project showing the verifiable expenditures to date, the anticipated costs in the developer's construction contract, and estimates of future improvements to the lift station site. The purpose of this work was to provide an estimate of the probable lift station fees for each parcel within the lift station service area and specifically those parcels that may be developing in the near future. The fees were calculated based on low-density residential land use and acreage. The anticipated project costs and lift station fees are shown on Exhibit C.

At the October 16, 2002, Council meeting, staff proposed that the City participate in the lift station construction with an additional \$270,000.00, and the developer would need to front an additional \$567,000.00. The Council rejected this and directed staff to find another solution that reduced or eliminated the City participation. Staff has developed the following two options after discussions with the developers of the Century Meadows One, Two, and Three projects. The options assume that an area of benefit be established under which future projects would pay a reimbursement fee.

Option One: City provide short-term funding for \$394,000.00 to be repaid in 7 years or less at an interest rate based upon the LAIF rate plus 1%. The City advance of \$164,707.66 would be immediately repaid and approximately \$230,000.00 would be paid to the project by the City as progress payments on the lift station are processed. The agreement would include a payment schedule from the Developer to the City and would stipulate that any reimbursements from adjacent developers be applied to the loan amount until it is paid in full.

The funding amount and 7-year period of the loan are comparable to the City's recent commitment of funds to construct the Tienda Drive Lift Station. The developer is still required to fund the balance of the lift station and trunk line construction cost amounting to \$566,000.00.

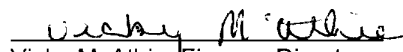
Option Two: City Council rejects Option One and full financing for the Harney Lift Station remains with the developers. The City advance of \$164,707.66 is repaid to the City upon approval of the Improvement Agreement to construct the lift station.

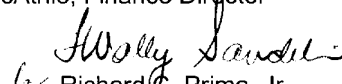
Resolution

The City Council adopted Resolution 2001-242 on October 17, 2001, establishing new development impact mitigation fees for all developments within the City of Lodi. The resolution included a provision to allow projects with approved tentative subdivision maps to retain the prior fee schedule and payment procedures until December 31, 2002, providing the final maps were approved by the City Council prior to that date. Unforeseen difficulties in securing required easements for public facilities serving the Century Meadows One, Two, and Three projects prevented the final maps for all phases of those projects from being presented to Council for approval. Acknowledging that all three project developers have clearly demonstrated the intent to comply with the terms of Resolution 2001-242, staff is recommending that Council adopt a resolution extending the deadline for final map approval for retention of prior development impact mitigation fees and payment procedures for the Century Meadows One, Two, and Three developments to June 30, 2003, with the stipulation that the impact fees for final maps approved after December 31, 2002, will be adjusted to reflect the change in the Engineering News Record 20 Cities Construction Cost Index for the period from October 1, 2001, to the date the fees are paid.

FUNDING: Impact Mitigation Fees \$394,000.00

Funding Available:


Vicky McAthie, Finance Director


Richard C. Prima, Jr.
Public Works Director

Prepared by: F. Wally Sandelin, City Engineer

Attachments

RCP/FWS/pmf

cc: City Attorney

Senior Civil Engineer Welch

Associate Civil Engineer Chang

City Planner

Water/Wastewater Superintendent

Chris Keszler

Dave Williams

Baumbach & Piazza

Bennett Development, Dennis Bennett

Frontiers, Tom Doucette

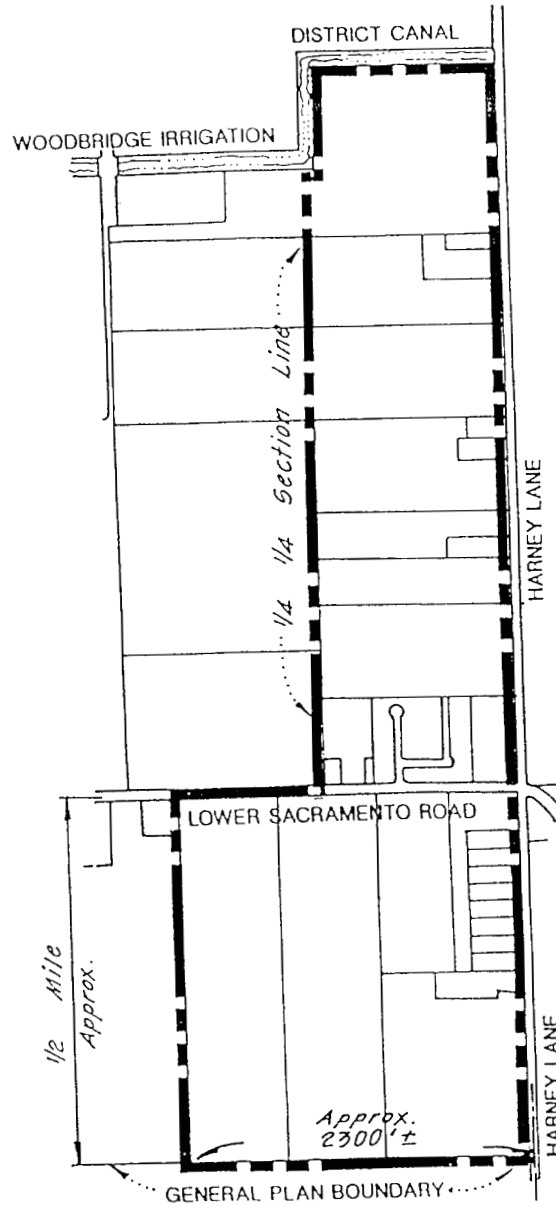
CC_CityParticipation



CITY OF LODI

PUBLIC WORKS DEPARTMENT

HARNEY LANE LIFT STATION SERVICE AREA



SERVICE AREA ———
Approx. 292 Acres

N.T.S.

Dr. JM	No	Date	Revision	Appr.
Ch.				
Date 8/91				

EXHIBIT A

EXHIBIT B

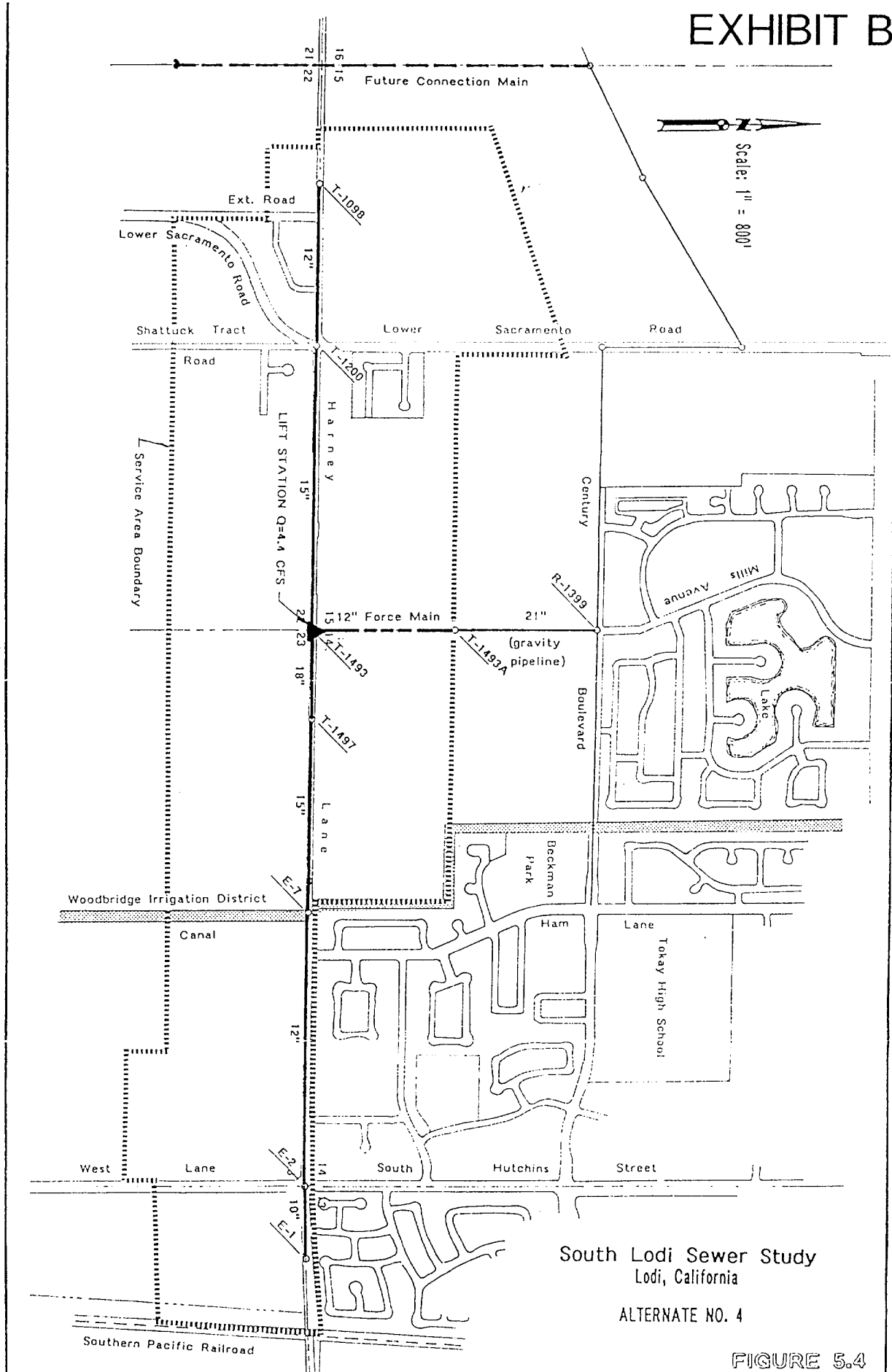


EXHIBIT C

COST BENEFIT ANALYSIS FOR HARNEY LANE LIFT STATION

City of Lodi
Public Works Department
Project: Harney Lane Lift Station
Engineer: Baumbach and Piazza

	Lift Station	Trunk Line	Total	Fees Paid by City
Construction Cost	\$ 615,644.65	\$ 112,745.00	\$ 728,389.65	
Curb, Gutter and Sidewalk (225 LF @ \$36.00/LF)	\$ 8,100.00		\$ 8,100.00	
Wall and Landscaping	\$ 86,000.00		\$ 86,000.00	
10% Engineering and Administration	\$ 70,974.47	\$ 11,274.50	\$ 82,248.97	
Engineering Plan Check Fees	\$ 12,261.97	\$ 2,163.88	\$ 14,425.84	
Engineering Inspection Fees	\$ 15,478.28	\$ 2,731.45	\$ 18,209.74	
Reimbursable Costs for Century Meadows Three, Unit 5	\$ 120,486.66		\$ 120,486.66	\$ 120,486.66
Construction Administration (Baumbach & Piazza)	\$ 27,693.00	\$ 4,887.00	\$ 32,580.00	
Design Cost for the Harney Lane Lift Station (Baumbach and Piazza)	\$ 27,046.00		\$ 27,046.00	\$ 27,046.00
Soils Report (Neil Anderson)	\$ 3,800.00	\$ 3,400.00	\$ 7,200.00	\$ 3,800.00
Consultants Fee (SNG Associates)	\$ 11,304.73	\$ 2,070.27	\$ 13,375.00	\$ 13,375.00
Total Cost	\$ 995,789.75	\$ 139,272.11	\$ 1,135,061.86	\$ 164,707.66
Final Group Cost	\$ 150,582.51	\$ 27,207.21	\$ 177,789.72	
Benefit Area Cost	\$ 848,207.24	\$ 112,064.90	\$ 960,272.14	

Zone	Site No.	Assessor's Parcel No.	Acres	Lift Station Benefit Ratio	Lift Station Fees	Trunk Line Benefit Ratio	Trunk Line Fees	Total Fees
A	1	058-210-27	9.64	0.043	\$ 35,247.530	0.190	\$ 21,265.86	\$ 57,513.39
A	2	058-210-28	9.76	0.043	\$ 36,698.74	0.192	\$ 21,530.58	\$ 58,229.32
A	3	058-210-26	10.65	0.047	\$ 40,045.25	0.210	\$ 23,493.92	\$ 63,539.17
A	4	058-210-25	1.59	0.007	\$ 5,978.59	0.031	\$ 3,507.54	\$ 9,486.13
A	5	058-210-04	1.00	0.004	\$ 3,760.12	0.020	\$ 2,206.00	\$ 5,966.12
A	6	058-210-03	3.01	0.013	\$ 11,317.95	0.055	\$ 6,640.07	\$ 17,958.02
A	7	058-210-19	15.15	0.067	\$ 56,965.76	0.298	\$ 33,420.93	\$ 90,386.71
		Subtotal Zone A	50.80	0.225	\$ 191,013.95	1.000	\$ 112,064.90	\$ 303,078.85
B	8	058-210-29	11.30	0.050	\$ 42,489.32			\$ 42,489.32
B	9	058-230-21	1.23	0.005	\$ 4,624.94			\$ 4,624.94
B	10	058-230-17	1.23	0.005	\$ 4,624.94			\$ 4,624.94
B	11	058-230-22	17.12	0.076	\$ 64,373.21			\$ 64,373.21
B	12	058-230-13	8.40	0.037	\$ 31,584.98			\$ 31,584.98
B	13	058-230-14	1.40	0.006	\$ 5,264.16			\$ 5,264.16
B	14	058-230-12	9.81	0.043	\$ 36,886.75			\$ 36,886.75
B	15	058-230-11	19.62	0.087	\$ 73,773.50			\$ 73,773.50
		Subtotal Zone B	70.11	0.311	\$ 263,621.82			\$ 263,621.82
C	16	058-230-09	0.46	0.002	\$ 1,729.65			\$ 1,729.65
C	17	058-230-08	0.46	0.002	\$ 1,729.65			\$ 1,729.65
C	18	058-230-07	0.46	0.002	\$ 1,729.65			\$ 1,729.65
C	19	058-230-06	0.46	0.002	\$ 1,729.65			\$ 1,729.65
C	20	058-230-10	2.49	0.011	\$ 9,362.69			\$ 9,362.69
C	21	058-220-01 to 058-220-24	9.17	0.041	\$ 34,480.27			\$ 34,480.27
C	22	058-230-03	3.92	0.017	\$ 14,739.66			\$ 14,739.66
C	23	058-230-05	0.50	0.002	\$ 1,880.06			\$ 1,880.06
C	24	058-230-04	0.27	0.001	\$ 1,015.23			\$ 1,015.23
C	25	058-040-05	5.28	0.023	\$ 19,653.42			\$ 19,653.42
C	26	058-040-06	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	27	058-040-07	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	28	058-040-08	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	29	058-040-09	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	30	058-040-10	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	31	058-040-11	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	32	058-040-12	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	33	058-040-13	1.00	0.004	\$ 3,760.12			\$ 3,760.12
C	34	058-040-04	14.15	0.053	\$ 53,243.26			\$ 53,243.26
C	35	058-040-02	29.77	0.132	\$ 111,938.69			\$ 111,938.69
C	36	058-040-01	13.37	0.059	\$ 50,272.77			\$ 50,272.77
C	37	058-040-14	13.50	0.050	\$ 50,761.58			\$ 50,761.58
C	38	058-040-15	2.40	0.011	\$ 9,024.28			\$ 9,024.28
		Subtotal Zone C	104.67	0.464	\$ 393,571.47			\$ 393,571.47
		Benefit Area Totals	225.58	1.000	\$ 848,207.24	1.000	\$ 112,064.90	\$ 960,272.14

NOTES

- See Exhibit D for boundaries of Zones A, B and C and Site Numbers.
- ZONE A fee includes costs for the Lift Station and 15" trunk line in Harney Lane. ZONE B and ZONE C fees include Lift Station costs only.
- Lift Station Benefit Ratio is based on the proportion of the parcel acreage to the total acreage of the benefit area (225.58 acres).
- Trunk Line Benefit Ratio for ZONE A for 15" sewer trunk line is based on the proportion of the parcel acreage to the total acreage of ZONE A (62.1 acres).
- For Site Nos. 25, 34, 35 and 36, the acreage shown is the net acreage after deduction for the dedication of 35 feet of right-of-way along the parcel frontage on Lower Sacramento Road.

RESOLUTION NO. 2002-239

A RESOLUTION OF THE LODI CITY COUNCIL
AUTHORIZING THE CITY MANAGER TO EXECUTE
SHORT-TERM FUNDING AGREEMENT
FOR THE CONSTRUCTION OF THE
HARNEY LANE LIFT STATION

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NOW, THEREFORE, BE IT RESOLVED, that the Lodi City Council does hereby authorize the City Manager to execute a short-term funding agreement between the City of Lodi and K & W Developers LLC for the construction of the Harney Lane Lift Station.

Dated: November 20, 2002

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I hereby certify that Resolution No. 2002-239 was passed and adopted by the City Council of the City of Lodi in a regular meeting held November 20, 2002, by the following vote:

AYES: COUNCIL MEMBERS – Land, Nakanishi, and Mayor Pennino

NOES: COUNCIL MEMBERS – Hitchcock and Howard

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk

CITY COUNCIL

PHILLIP A. PENNINO, Mayor
SUSAN HITCHCOCK
Mayor Pro Tempore
EMILY HOWARD
KEITH LAND
ALAN S. NAKANISHI

CITY OF LODI
PUBLIC WORKS DEPARTMENT

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H. DIXON FLYNN
City Manager
SUSAN J. BLACKSTON
City Clerk
RANDALL A. HAYS
City Attorney
RICHARD C. PRIMA, JR.
Public Works Director

November 14, 2002

Dr. Chris Keszler
816 W. Lodi Avenue
Lodi, CA 95240

Mr. Dave Williams
1213 W. Lockeford Street
Lodi, CA 95240

Baumbach & Piazza
323 W. Elm Street
Lodi, CA 95240

Mr. Dennis Bennett
Bennett Development
P.O. Box 1597
Lodi, CA 95241

Mr. Tom Doucette
Frontiers Builders
3247 W. March Lane, Ste. 220
Stockton, CA 95219

SUBJECT: Authorize City Manager to Execute Short-Term Funding Agreements for the Construction of the Harney Lane Lift Station and Adopt Resolution Extending the Deadline for Final Map Approval and Retention of Prior Development Impact Mitigation Fees and Payment Procedures for the Century Meadows One, Two, and Three Residential Subdivision Projects

Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, November 20, 2002. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the regular calendar for Council discussion. You are welcome to attend.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Susan Blackston, City Clerk, at 333-6702.

If you have any questions about the item itself, please call Wally Sandelin, City Engineer, at (209) 333-6709.


for: Richard C. Prima, Jr.
Public Works Director

RCP/pmf
Enclosure
cc: City Clerk
NCC_CITYPARTICIPATION